



FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-5

William K. Phelan, Treasurer
Sears Political Action Committee
3333 Beverly Road, BSC: B5-114B
Hoffman Estates, IL 60179

Identification Number: C00038612

AUG 18 2000

Reference: April Quarterly Report (1/1/00-3/31/00)

Dear Mr. Phelan:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 11(a)(i) of your report discloses contributions received through what appears to be a payroll deduction plan. Please amend your report to disclose the amount deducted per pay period and frequency of the payroll deduction. 11 CFR §104.8(b). Please refer to the enclosed sample of properly reported payroll deductions.

-Please amend Schedule B supporting Line 23 by providing the office sought (i.e., House, Senate or President) including the state and congressional district for each contribution made. 11 CFR §104.3(b)(3)(ii) and (v)

-Schedule B supporting Line 23 discloses contributions to federal candidates for which no election designation has been provided. Please note that if no designation is included in your report, the contributions will be attributed to the next upcoming election for the recipient candidate. Thus, for future reporting purposes, it is in your committee's interest to designate the appropriate election in order to avoid the appearance of excessive contributions made to federal candidates by your committee.

-Please provide a Schedule A to support the entry reported on Line 16 of the Detailed Summary Page. All refunds received from federal candidates and

committees must be itemized on Schedule A regardless of the amount of the refund. 2 U.S.C. §434(b)

Any amendment or clarification should be filed with the Federal Election Commission. If you need assistance, please feel free to contact me on our toll-free number, (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division). My local number is (202) 694-1130.

Sincerely,



Scott Walker
Reports Analyst
Report Analysis Division

PAYROLL DEDUCTIONS

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedules
for each contribution
to each Summary Page
FOR LINE NUMBER
11(a)(i)

Payroll Deductions

Once an individual's deductions aggregate over \$200 in a calendar year, report the total amount deducted from the donor's paychecks during the reporting period on Schedule A. In parentheses indicate the amount that was deducted each pay period. Instead of stating a specific date of receipt, write "payroll deduction" under "Date." The other itemized information, including the year-to-date total, must be completed for each donor. 104.8(b).

EXAMPLE: During an election year, a corporate manager authorizes her employer to deduct \$15 per pay period (each pay period is two weeks) for the company's SSF. The SSF, which files FEC reports on a quarterly schedule, includes the manager's first-quarter contributions (\$90 for six pay periods) as "unitemized contributions" on Line 11(a)(ii) in the April quarterly report.

By June 30 (the closing date for the July quarterly report), 13 pay periods have passed, and the manager's aggregate contributions are \$195—still below the \$200 itemization threshold. The manager's second-quarter contributions again are included in "unitemized contributions" in the July report.

By September 30 (the closing date for the October quarterly report), 18 pay periods have passed, and the manager's contributions reach \$285. Now the committee itemizes the total contributions received from the manager during the third quarter (\$90), providing the year-to-date total in the appropriate space. (See item A in the illustration above.)

IN-KIND CONTRIBUTIONS

SCHEDULE A

ITEMIZED RECEIPTS

Use separate schedules
for each contribution
to each Summary Page
FOR LINE NUMBER
11(a)(i)

Contributions from Individuals

Any information copied from such forms or documents may not be sold or used for the purpose of soliciting contributions or for commercial purposes other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in full)

National Organization PAC C00000001

A. Full Name, Mailing Address and ZIP Code

Martin L. Krebs
4 River Road
City, State ZIP

Name of Donor	Date Itemized or Received	Amount of Contri- bution for Pay Period
National Organization, Inc.	5/19/94	\$1,999.00 (IN-KIND) (RAFFLE) (PRIZE)
Chairman	5/19/94	0.00

SCHEDULE B

ITEMIZED DISBURSEMENTS

Use separate schedules
for each contribution
to each Summary Page
FOR LINE NUMBER
21(b)(2)

Operating Expenditures/Other Related

Any information copied from such forms or documents may not be sold or used for the purpose of soliciting contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.

NAME OF COMMITTEE (in full)

National Organization PAC C00000001

A. Full Name, Mailing Address and ZIP Code
Martin L. Krebs
4 River Road
City, State ZIP

Description of Disbursement	Date Disbursed	Amount of Dis- bursement for Pay Period
RAFFLE PRIZE	5/19/94	\$1,999.00 (IN-KIND) CONTRIBUTOINS
RAFFLE PRIZE	5/19/94	0.00

Itemize in-kind contributions on both Schedules A and B so as not to inflate the cash-on-hand amount.

In-Kind Contributions

When determining whether to itemize an in-kind contribution, follow the same guidelines listed above under "When to Itemize Receipts." See page 8 for information on how to determine the dollar value of an in-kind contribution.

In addition, add the value of the in-kind contribution to the operating expenditures total on Line 21(b) (in order to avoid inflating the cash-on-hand amount). 104.13(a)(2).

If the in-kind contribution must be itemized on Schedule A, then it must also be itemized on a Schedule B for operating expenditures. See the illustration at left.

